



# ***IUID: OSD Strategic Perspective***

***28 July 2009***

# ***Our Enduring Objective***

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***Effectively and Efficiently  
acquire and Sustain Defense Systems  
needed to deter war and protect the  
security  
of our country***

# ***Relevant Implications***

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- **We are becoming increasingly dependent on IT-based decision making**
- **Accurate and timely data is critical**
- **IUID / SIM is essential**
- **Synchronized action between government and industry is required to effectively implement IUID-enabled SIM**
  - **Program managers**
  - **Maintenance planners and executors**
  - **Supply**

# ***Situation Assessment***

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- **IUID institutes standard methods for identifying and marking items**
  - **Enables accountability as required by DoD**
  - **Facilitates management of individual items**
  - **But, effects on all nodes of supply chain and item lifecycle are unclear**
- **Implied value propositions have driven policy & implementation**
- **Services have taken action, to varying degrees, to focus implementation, develop resource requirements, synchronize AIT efforts, and align AIS development**
- **Connection between cross-domain IUID policy and guidance and IUID value propositions remain unclear (focus on compliance vice value)**
- **Wide variation in the synchronization of IUID implementation between organizations critical to achieving successful IUID execution**
- **Budget is not linked to policy requirements nor program plans - resourcing an unfunded mandate has been a challenge**

# ***IUID Value Propositions***

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**Value Proposition:** IUID offers significant efficiency and effectiveness improvements beyond existing data capture and tracking mechanisms

- Improved accuracy
- Increased speed
- Reduced personnel
- Reduced costs

## **Three Example Value Chains:** *Positive Inventory Control (PIC) - worldwide visibility & control by UII*

- Enables secure handling/recall of NWRM, Small Arms and other controlled items
- Supports accurate tracking, disposal, DEMIL and warranty management by UII
- ***Military Equipment Valuation (MEV) - automated, accurate property book mgt***
  - Enables full accountability of military equipment over \$5K
  - Supports clean audit and improves property transfer and disposal process
- ***Product Lifecycle Management (PLM) - optimized lifecycle management***
  - Enables CBM+, CPI, RCM, and total ownership cost reduction for SIM items
  - Supports bad actor identification, accurate configuration mgt, and precision maintenance

**Validated Value Propositions Must Drive Policy & Implementation!**

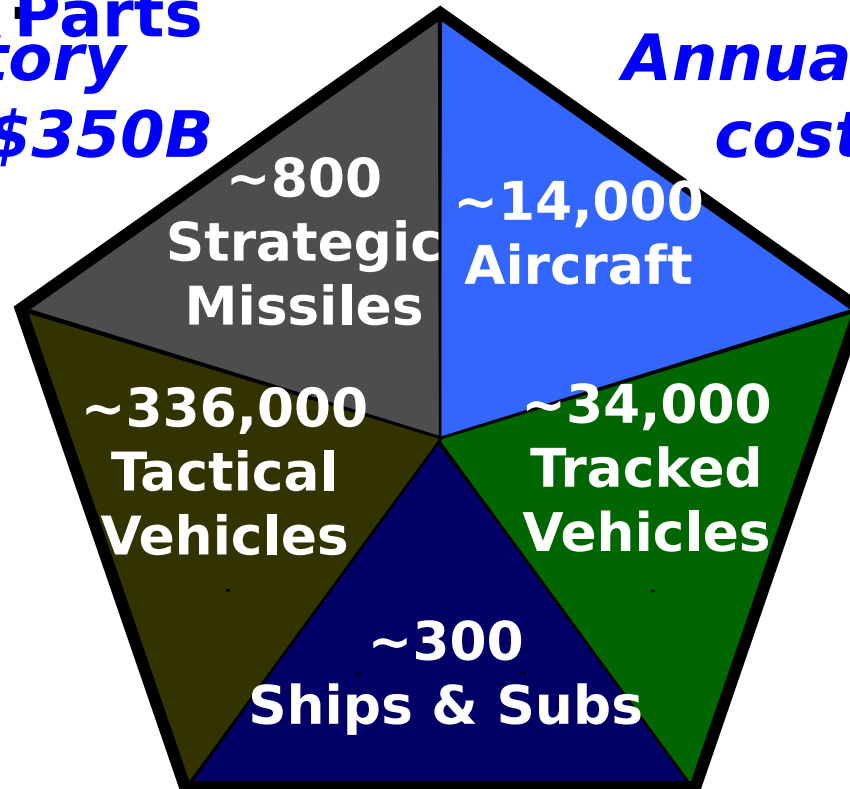
# ***How Big is the Challenge?***

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**> 100M Candidate UID**

***DoD Inventory  
valued over \$350B***

***Annual Maintenance  
costs over \$85B***



***maintained by 650,000 DoD military and civilian personnel  
and thousands of private sector companies***

# ***Let's Begin***

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## **Current serial numbered tracked items**

**> 3.8M Army aviation**

**> 7M Naval Aviation**

**12.2M USAF**

**1.2M DDG-51 class**

**~~> 144K Strategic weapon systems~~**

**24.3 million**

***Focus on serialized, data-labeled,  
high value, high impact parts***

# DoD-Level IUID Policy and

Functional Policy	Scope	Requirement Summary
DoDI 5000.64 - Nov 2006 Defense Property Accountability	Equipment Accountability	IUID is required for end items over \$5K
DoDI 4151.19 - Dec 2006 Serialized Item Management for Mx	PLM (Weapons System Items)	IUID required for SIM items based on Service/Agency determined benefits to maintenance operations
DoD 4140-1R - Jun 2007 Supply Chain Regulation	PIC (Inventory Items)	IUID required for serialized CSI and small arms
DoDI 5000.2 - Dec 2008 Life Cycle	PLM (Weapons System	PMs implement on major end items, configuration controlled items, and GFP
IUID-specific Policy:	Scope	Requirement Summary
DoDD 8320.03 - Mar 2007 Unique Identification Standards for Net-Centric Department of Defense	UID Standards Across Domains	Directs IUID global unique identification using standard identifier (serial number construct) and standard machine readable mark
DoDI 8320.04 - Jun 2008 IUID	IUID Standards Across Domains	Defines what shall be identified and marked with UIIs (e.g. >\$5K, controlled, mission essential, serially managed)
AT&L Policy Memoranda - 2003-09	General	Established criteria for new and legacy items, funding guidance, and time-lines for implementation

- *Marking policy requires marking of items, to ensure property accountability and enable standard AIT/AIS infrastructure, not linked to a clearly defined value proposition (e.g. non-serialized, non-CSI, non-controlled consumable items)*
- *Marking policy requires marking of items before integrated guidance for use of the mark is defined and enabled by infrastructure*



# Service-Level Implementation

## Guidance

Service-Level Policy:	Summary
<b>Army:</b> <ul style="list-style-type: none"> <li>▪ ASALT Policy Memo - <i>May 2009</i></li> <li>▪ Draft IUID Implementation Plan - <i>Jul 2009</i></li> <li>▪ Draft SIM Policy - <i>Sep 2009</i></li> <li>▪ Draft SIM Implementation Plan - <i>Mar 2010</i></li> </ul>	<ul style="list-style-type: none"> <li>➤ Implements 8320.04</li> <li>➤ Outlines phased implementation</li> <li>➤ Implements 4151.19</li> <li>➤ Strategic-level plan</li> </ul>
<b>Navy:</b> <ul style="list-style-type: none"> <li>▪ Draft SECNAVINST 4400.33 - <i>Jul 2009</i></li> <li>▪ Draft AIS Strategy - <i>Aug 2009</i></li> <li>▪ Draft SIM Strategy - <i>Aug 2009</i></li> <li>▪ Draft SIM SECNAVINST - <i>Feb 2010</i></li> </ul>	<ul style="list-style-type: none"> <li>➤ Implements 8320.04</li> <li>➤ Integrates IUID in Navy AIS</li> <li>➤ Strategic-level plan</li> <li>➤ Implements 4151.19</li> </ul>
<b>USAF:</b> <ul style="list-style-type: none"> <li>▪ SIM Implementation Plan - <i>Apr 2008</i></li> <li>▪ <del>AFM 63-101 Air Force Policy established</del></li> <li>▪ AIT CONOPS - <i>Jun 2009</i></li> <li>▪ <del>Service IUID/SIM guidance is in development</del></li> <li>▪ Integrated LCM Strategy - <i>Oct 2009</i></li> <li>▪ <del>More initial focus on IUID compliance than on the lifecycle management process changes required to extract IUID value</del></li> </ul>	<ul style="list-style-type: none"> <li>➤ Strategic plan</li> <li>➤ Implements 4151.19 for PLM</li> <li>➤ <del>IUID Navy baseline draft</del></li> <li>➤ Integrates IUID in LCM</li> </ul>

# Implementation Status

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## Working Groups/Workshops:    Focus:

- Legacy Parts Identification WG    Legacy parts marking
- Serialized Item Management WG                      SIM planning and execution
- IUID Supply WS                      IUID requirements in supply
- Industry Leaders Action Group    Efficiency for industry marking
- IUID Forums    Education and networking

## Item Marking:    Issue:

### Legacy

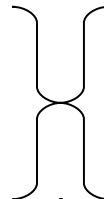
- 3% marked since 2004 mandate                      Activities lack marking direction
- Organic marking not at FOC                      Capability established with direction
- Lack of NRE delaying marking    Funding priorities drive NRE completion

### New Procurement Items

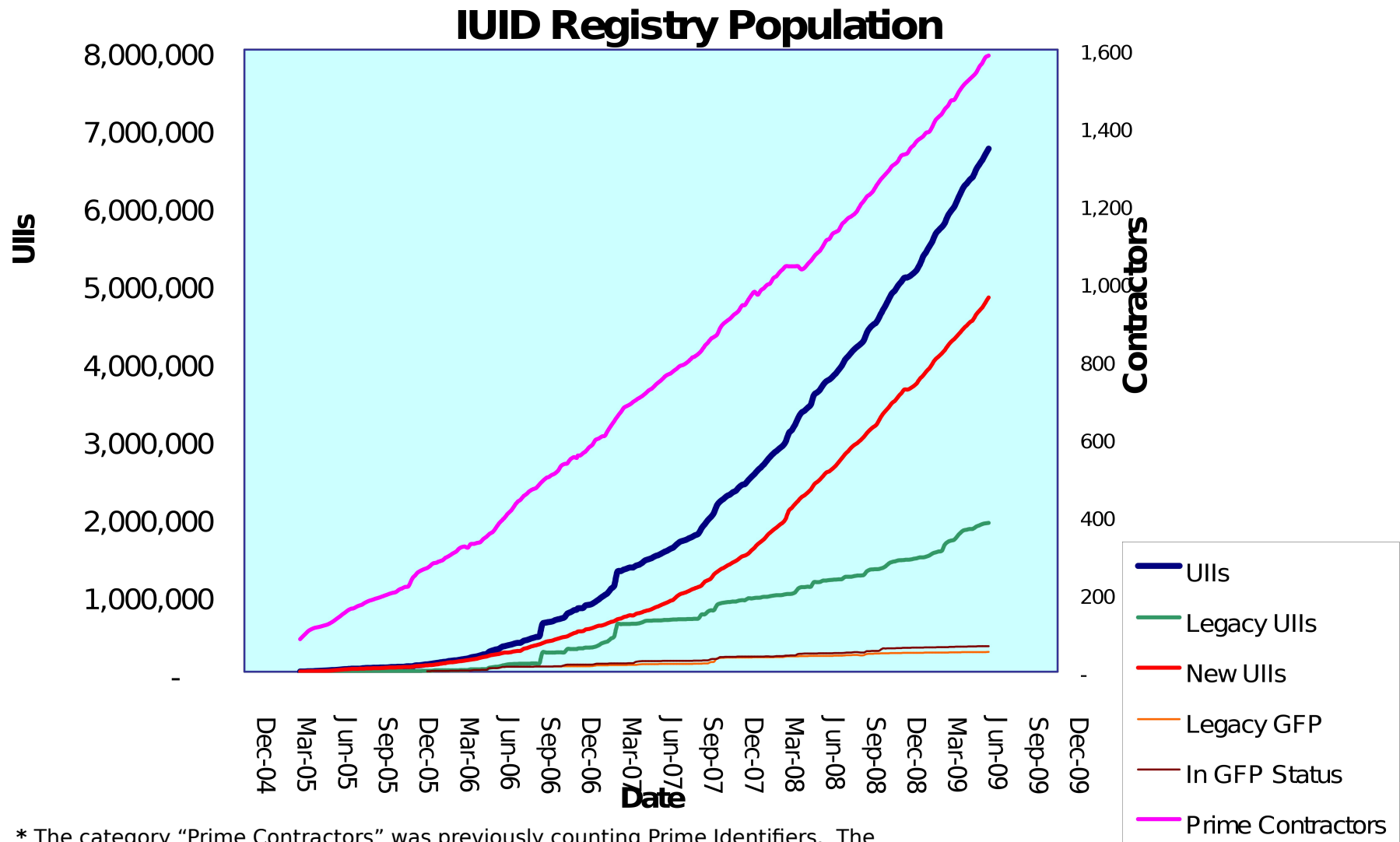
- 90%+ Service contracts require IUID                      Compliance varies; oversight lacking
- DLA contracts not requiring IUID                      Tech data required; potential cost sched impact

## Mark Usage:

- PIC: Extremely limited (robots, CH-47, etc)                      Processes maturing
- MEV: Extremely limited (CAMS-ME/WAWF)                      AIT not uniformly deployed
- PLM: Extremely limited (robots, CH-47, etc)                      AIS not appropriately structured



# Registry Population *(As of 1 Jul 09)*



\* The category "Prime Contractors" was previously counting Prime Identifiers. The number has been adjusted to accurately reflect the number of unique businesses submitting UII to the Registry.


# ***Accomplishments***

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- **New Acquisition: Making Strides**
  - **ACAT Programs Detailed Plans - Execution on Track**
  - **~90% of Contracts Contain IUID Requirement**
  - **OEM's and Sub-Tier Suppliers Delivering**
    - **Industry is Leveraging IUID for Competitive Advantage**
  
- **Legacy Parts: Slow Going - Points of Light**
  - **Army Aviation - AMCOM/CCAD Integrated Solution**
    - **Mass Marking of Data Plated Items at CCAD via Army Regulation**
    - **Web-based Maintenance Consolidated Data System (MCDS)**
  - **Navy Maintenance Figure of Merit Initiative**
    - **Links IUID Directly to Maintenance Priority and Ship Readiness**
    - **In-Situ Marking, 100,000's per Vessel, All Classes in-process**

# ***Path Ahead***

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- **Mark and register legacy parts “in volume” by 2015**
- **Supply, PM, engineering, maintenance synchronization**
  - Intent - *“Use Proposition” or Why*
  - Priority
  - Strategy
  - Direction
  - Plans
  - Execution

***What, When, How***
- **Roles/responsibilities**
  - **Supply and PM:** define intent, priority, and direction strategy
  - **Engineering:** define “how”
  - **Maintenance:** identify opportunity and resource requirements, and execute
- **Initial focus**
  - **Serialized / data labeled parts**
  - **High value / high impact parts**
  - **SNT items**

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***Questions?***